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BEFORE THE

ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION) DOCKET NO. E-01461A-15-0057
OF TRICO ELECTRIC COOPERATIVE,)
INC. FOR APPROVAL OF A NEW NET-)
METERING TARIFF, A PARTIAL WAIVER)
OF THE COMMISSION'S NET METERING) **BRIEF**
RULES AND A REVISED AVOIDED COST)
RATE IN THE COMPANY'S EXISTING)
NET METERING TARIFF)

Arizona Corporation Commission

DOCKETED

APR 10 2015

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RC

The Arizona Solar Deployment Alliance ("ASDA"), in accordance with the April 3, 2015
Procedural Order, hereby responds to whether Trico Electric Company's ("TRICO") request in
the above captioned docket should be heard in a rate case.

BACKGROUND

Trico, in its February 26, 2015 application, asked the Arizona Corporation Commission
("Commission") to 1) approve a net metering tariff for future net metered members; 2) grant a
partial waiver of the Commission's net metering rules; and 3) approve a revised avoided cost rate
on the existing net metering tariff.¹ Additionally, Trico requested that the new tariff go into

¹ Application at 1.

1 effect on February 28, 2015.² ASDA would respectfully request the Commission order Trico to
2 incorporate items 1 and 2 into a rate case and approve item 3 in accordance with Staff's March
3 31, 2015 Memorandum and Proposed Order.

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5 NEW NET METERING TARIFF AND WAIVER OF THE RULES

6 As stated above, Trico's application asks for a new net metering tariff that would credit
7 new DG customers for excess energy at Trico's avoided cost rate rather than the current retail
8 rate.³ This new tariff requires a waiver of the net metering rules because the current rules do not
9 contemplate crediting customers at an avoided cost rate.⁴ In its application, Trico tries to show
10 how its situation is similar to APS' recent net metering decision but misses some key
11 distinctions. As alluded to in Trico's application, APS had a separate mechanism, which was
12 granted in a rate case, that the Commission adjusted in order to address APS' concern.⁵ Trico
13 does not have any such mechanism and says so explicitly in its application.⁶ Trico also states in
14 its application that it "may file a general rate case application in the near future [and] anticipates
15 that it will propose rate design changes to further address the unrecovered fixed cost issue."⁷

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17 The best place to address the issues raised by Trico in its filing as it relates to items 1 and
18 2 is in a general rate case. Trico is, in essence, asking for a new rate design for DG customers.
19 The law in Arizona is well established about where rate design and ratemaking must occur.⁸
20 More importantly for this Commission, these types of issues should be discussed and resolved in
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23 ² Id. at 7.

24 ³ Id. at 6.

25 ⁴ Id. at 7.

26 ⁵ Id. at fn 7.

⁶ "Trico does not have a mechanism in place to recover all of its lost fixed costs." Id at page 8 line 4.

⁷ Id. at fn 9.

⁸ Scates v. Arizona Corp Comm, 118 Ariz. 531, 578 P.2d 612(Ct.App 1978).

1 rate cases because there are more options available for the Commission to discuss and utilize to
2 resolve the concerns of the utility. By asking for a new rate design outside the confines of a rate
3 case, Trico does not allow the Commission the benefit of information that would be gathered in a
4 rate case.

5 Even if Trico were to request this new tariff in the context of a rate case, it would still
6 need a waiver of the rules. It would seem that Trico's application is putting the cart ahead of the
7 horse a bit in that it requests a new tariff and then requests a waiver of the rules for that tariff.
8 ASDA believes it is in the public interest to have this matter heard in the context of a general rate
9 case. Trico will not be harmed in any manner since it is anticipating filing a rate case "in the near
10 future."

11 12 AVOIDED COST

13 ASDA is supportive of Staff's Memorandum and Proposed Order. The reset of the
14 avoided costs is a regularly recurring issue and the Commission has acted on other utilities
15 similar request in the same manner advanced by Staff. A hearing on this issue is not warranted.
16

17 18 CONCLUSION

19 ASDA respectfully requests that the Commission hear the Trico request to change the net
20 metering tariff and any potential for a rule waiver in Trico's next general rate case. Additionally,
21 ASDA would respectfully request the Commission approve Staff's Memorandum and Proposed
22 Order regarding the reset of avoided cost amount.
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1
2 RESPECTFULLY SUBMITTED this 10th day of April, 2015
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4 
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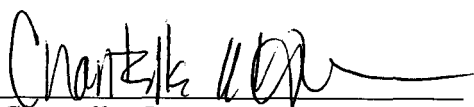
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